
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

by Attorney General Wayne Stenehjem's
Consumer Protection and Antitrust Division

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GOVERNMENT GRANTS

Free Grants

Never Repay

Acceptance guaranteed.

Government and private sources

\$500 - \$50,000,

Education, home repairs, home purchases, business, non-profits

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You have probably seen the ads about how to get “free” grant money. They say the government will give you “free” money for just about anything you want to do. They say your application is “acceptance guaranteed,” and you never have to repay the money. But remember, “money for nothing” grant offers often are a scam: the grant isn’t free, it isn’t guaranteed and often it isn’t even available to you.

Recently a “grants” company was calling North Dakota residents to offer them a government grant for a fee of \$239. The grants were to range in value from \$8,000 to \$25,000. The company requested the consumer give their bank account information so that the fee could be deducted directly from the account. In several cases, the amount deducted was much greater than the amount quoted to the consumer during the telemarketing call.

While the government does offer grant money, this money is not as easy to qualify for or receive as some may lead you to believe. There are several scams that entice you with the promise of “free” money or money for a small fee. Whether the grant opportunity comes via telemarketing call or newspaper ad, here are some tips to consider before getting involved with a government grant offer:

- Beware of companies that guarantee you will receive a grant, especially if you must pay up-front for the service.
- If you are considering paying for a grant service, check the company out first with the Consumer Protection Division of the Attorney Generals Office or the Better Business Bureau in the state where the company is located.
- The company may guarantee you get a grant, but the guarantee is only as good as the company offering the guarantee.
- The company states that you can get a refund if you are not satisfied, but they do not tell you the conditions of the refund.

- Never give out personal information such as checking account number, credit card number or social security number to someone, especially if you do not know anything about the business who is requesting the information.

There really is no such thing as “free” money. Most sources of grant money don’t give grants to individuals for personal need. Grants usually are given to serve a social good, such as bringing jobs to an area, preserving a bit of history, funding soup kitchens or museums, or researching medical issues. If you ask an agency or foundation for money for personal use, you probably won’t get it even if you are financially needy. And, you are not likely to get a refund from a grant “broker” because the conditions for the refund are nearly impossible to meet.

If you are thinking about applying for a grant, remember the applications are available to you for free and anyone who guarantees you a grant is only interested in their own financial gain, not yours.

The Attorney General’s Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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